

Comments on:
Successful experiences in export
diversification

China: Wu Guoping (ILAS)
Korea: Duol Kim (Korea Development Institute)

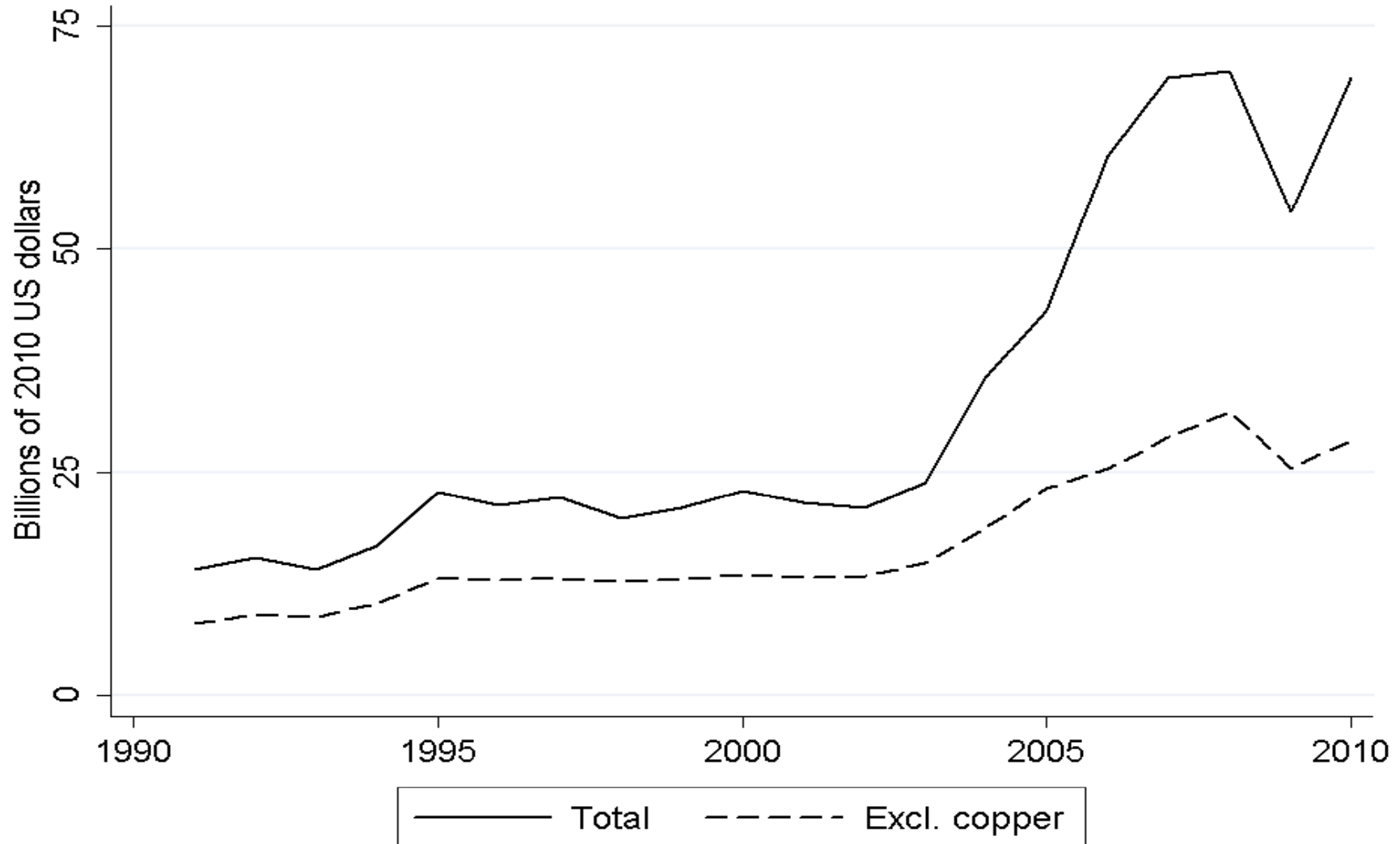
Sebastián Claro
Central Bank of Chile
Cieplan, March 29, 2012

Overview

- More about successful export growth and not so much about successful diversification experiences.
- In China, the role of FIEs in sophisticated exports.
- In Korea, export growth using a more concentrated range of products to a more diversified mix of countries.
- Diversification for what?

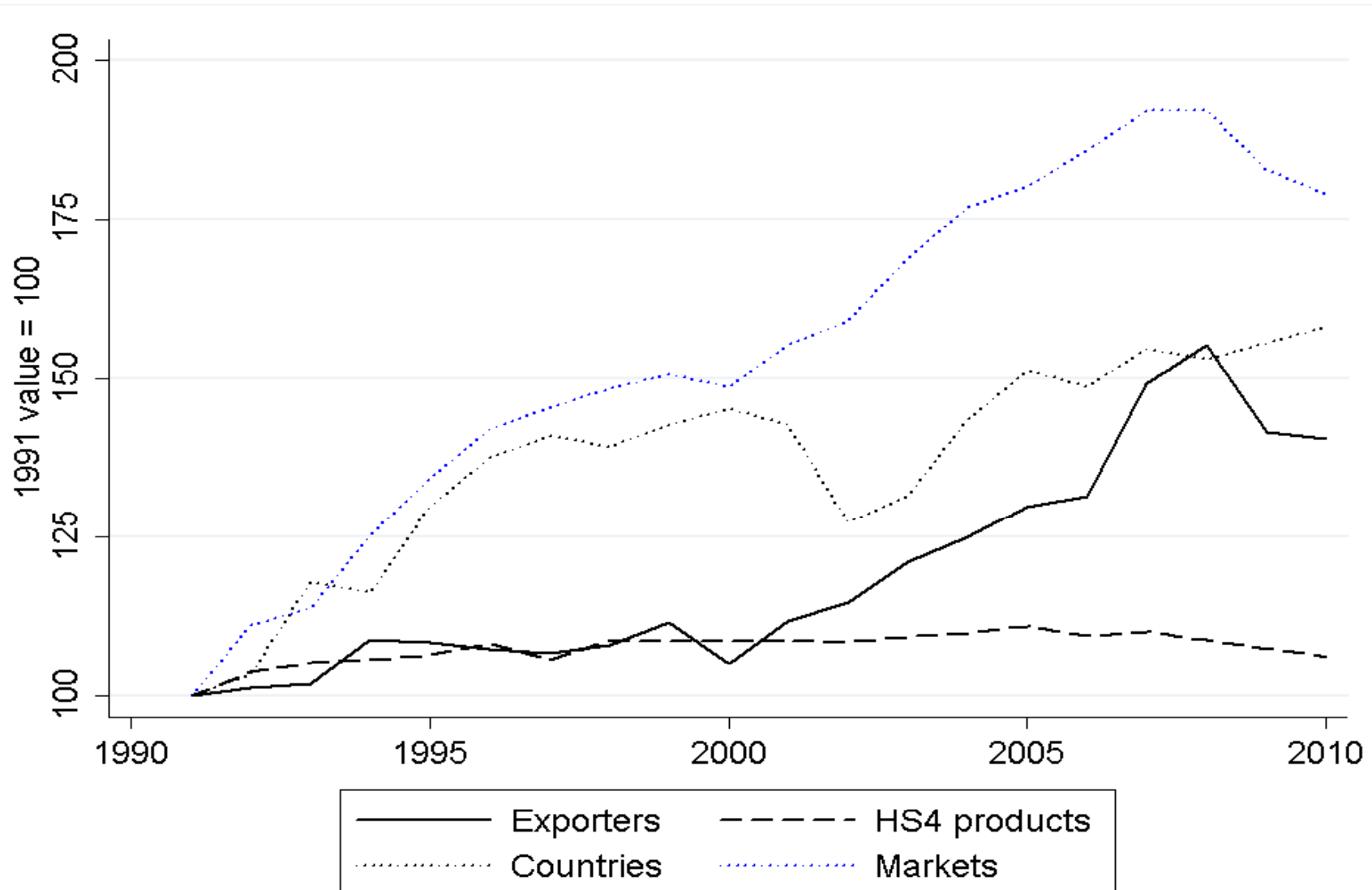
Chile's export performance

(Billions of 2010 US dollars)

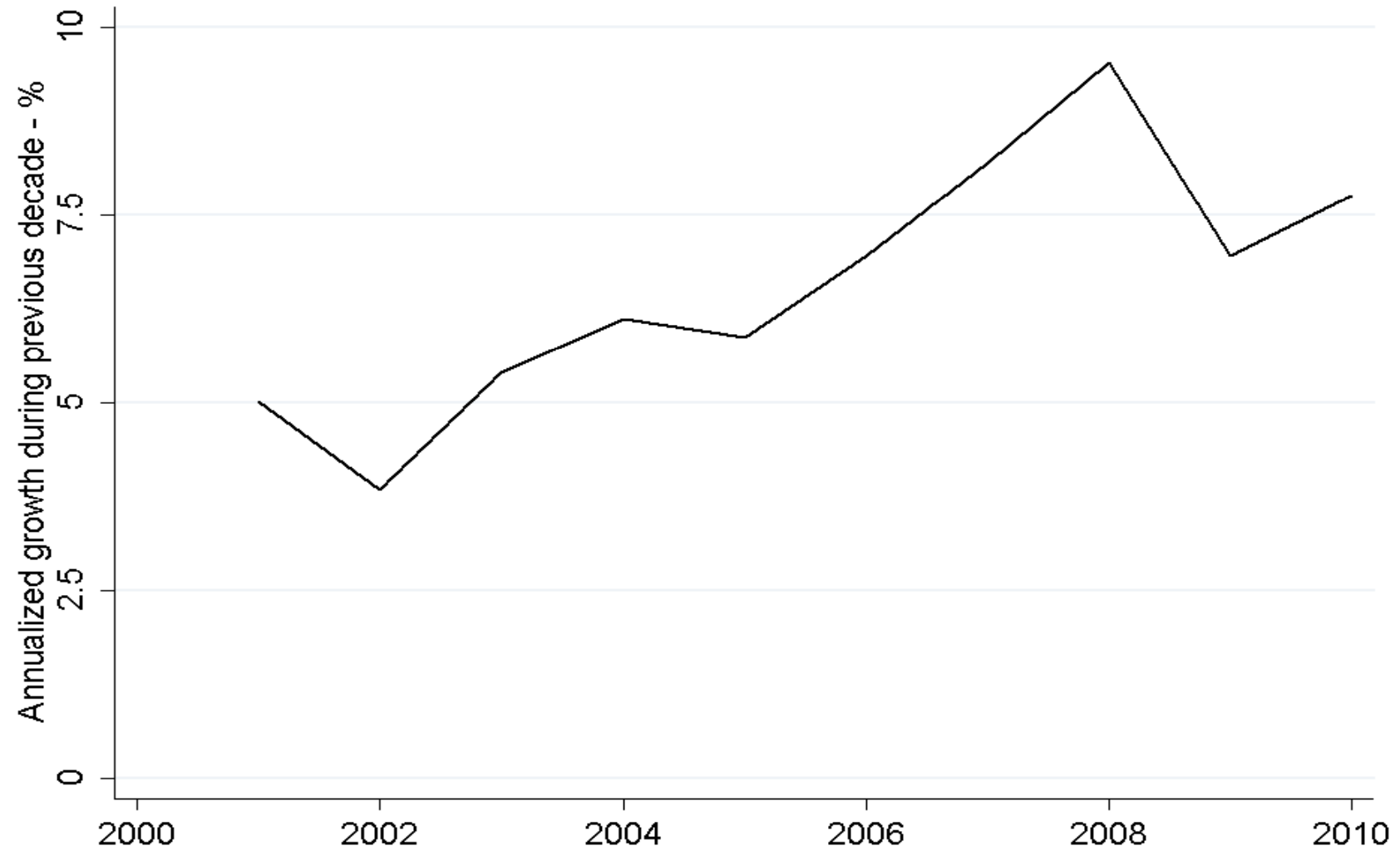


Margins of export growth

(index 1991=100)

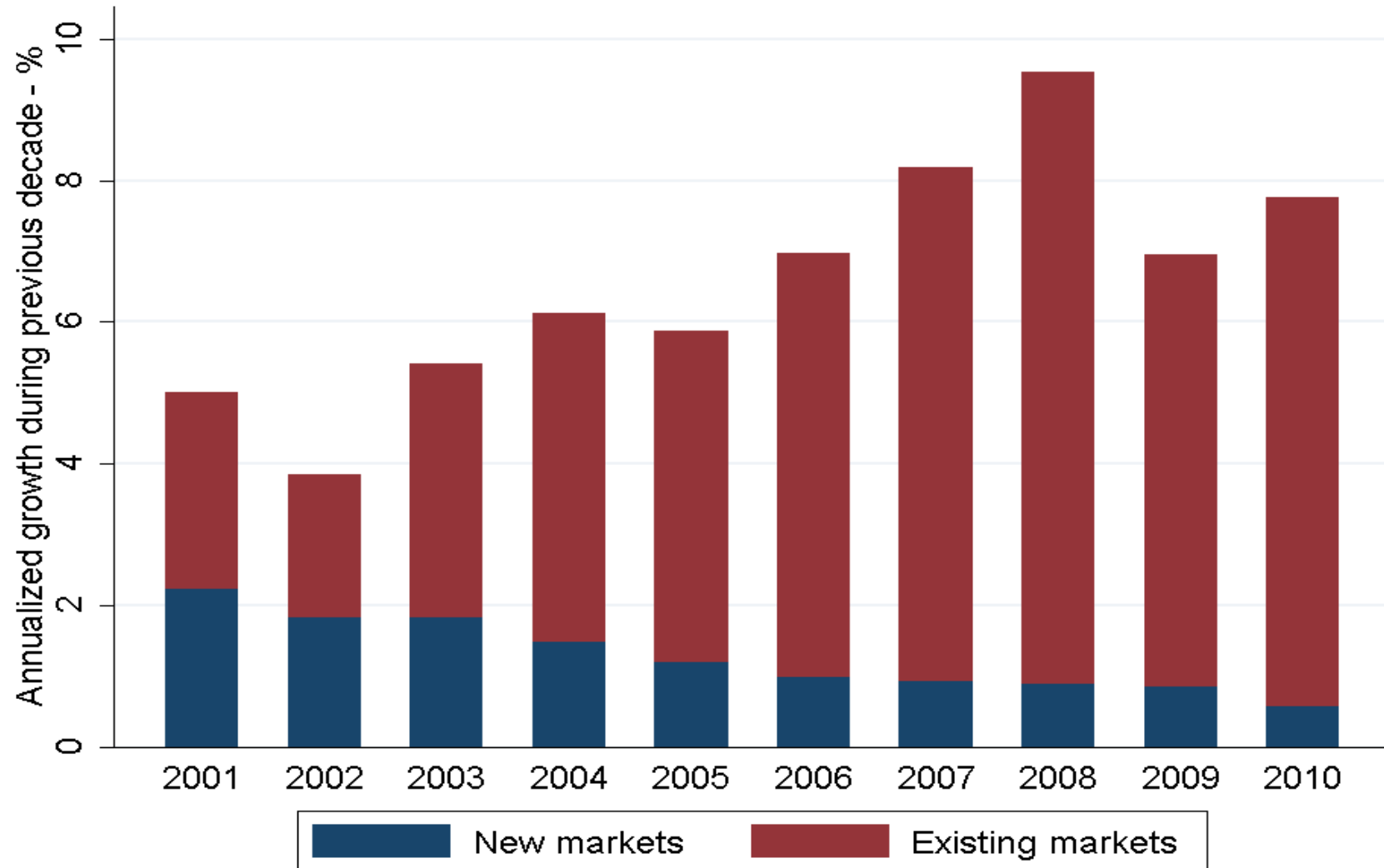


Non-copper export growth (growth in 10-year window)



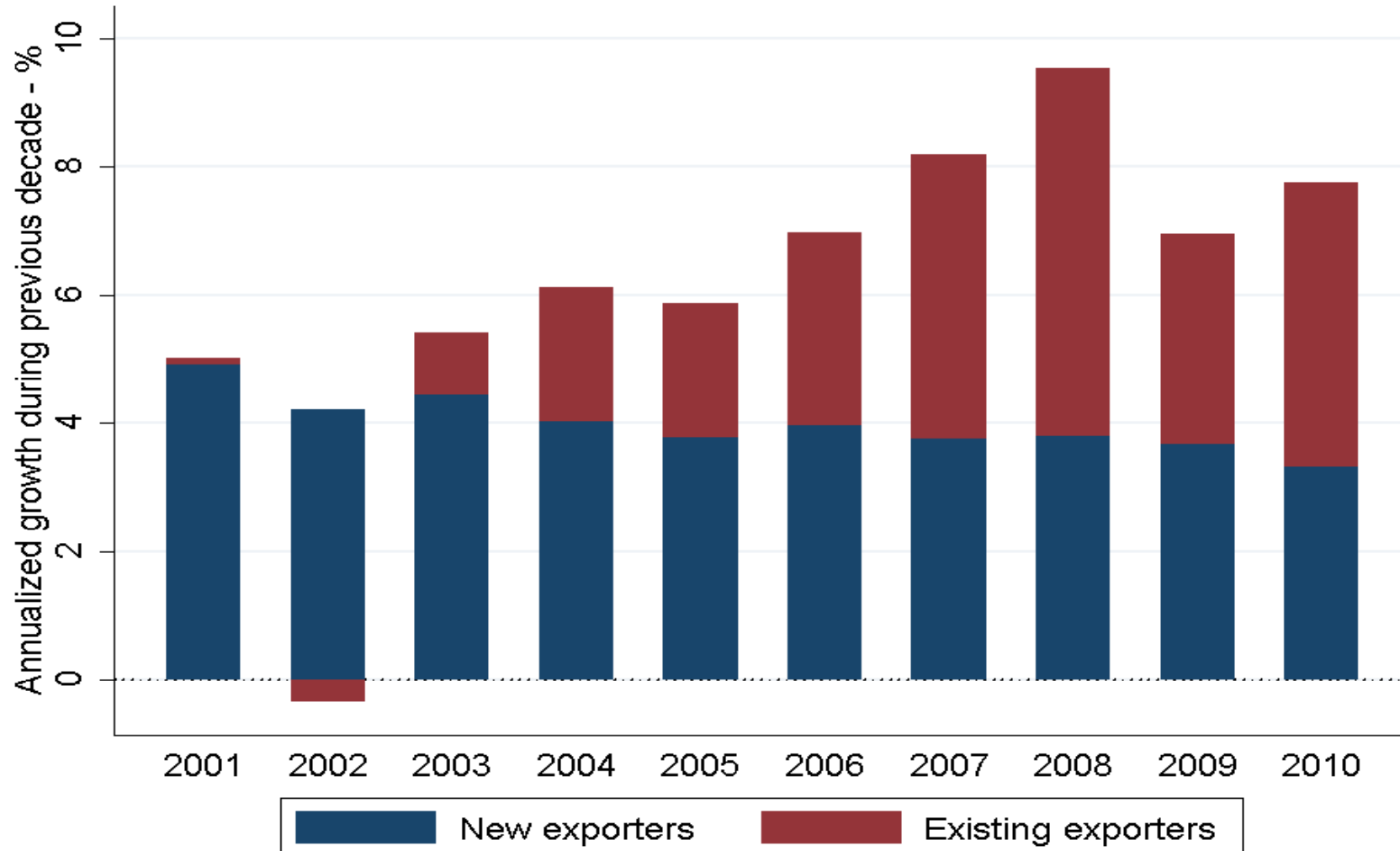
New and Old markets

Growth with respect to previous decade

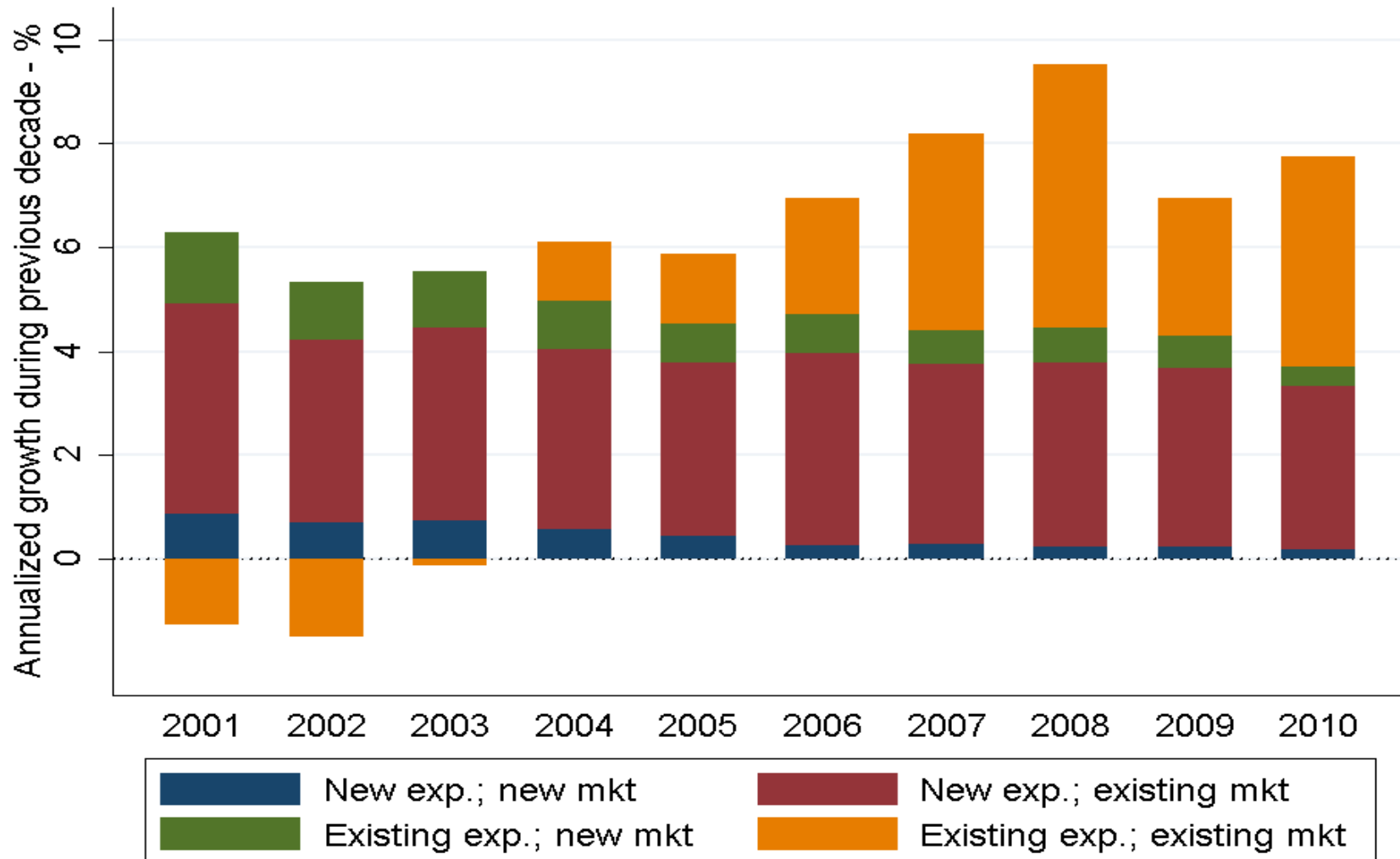


New and Old firms

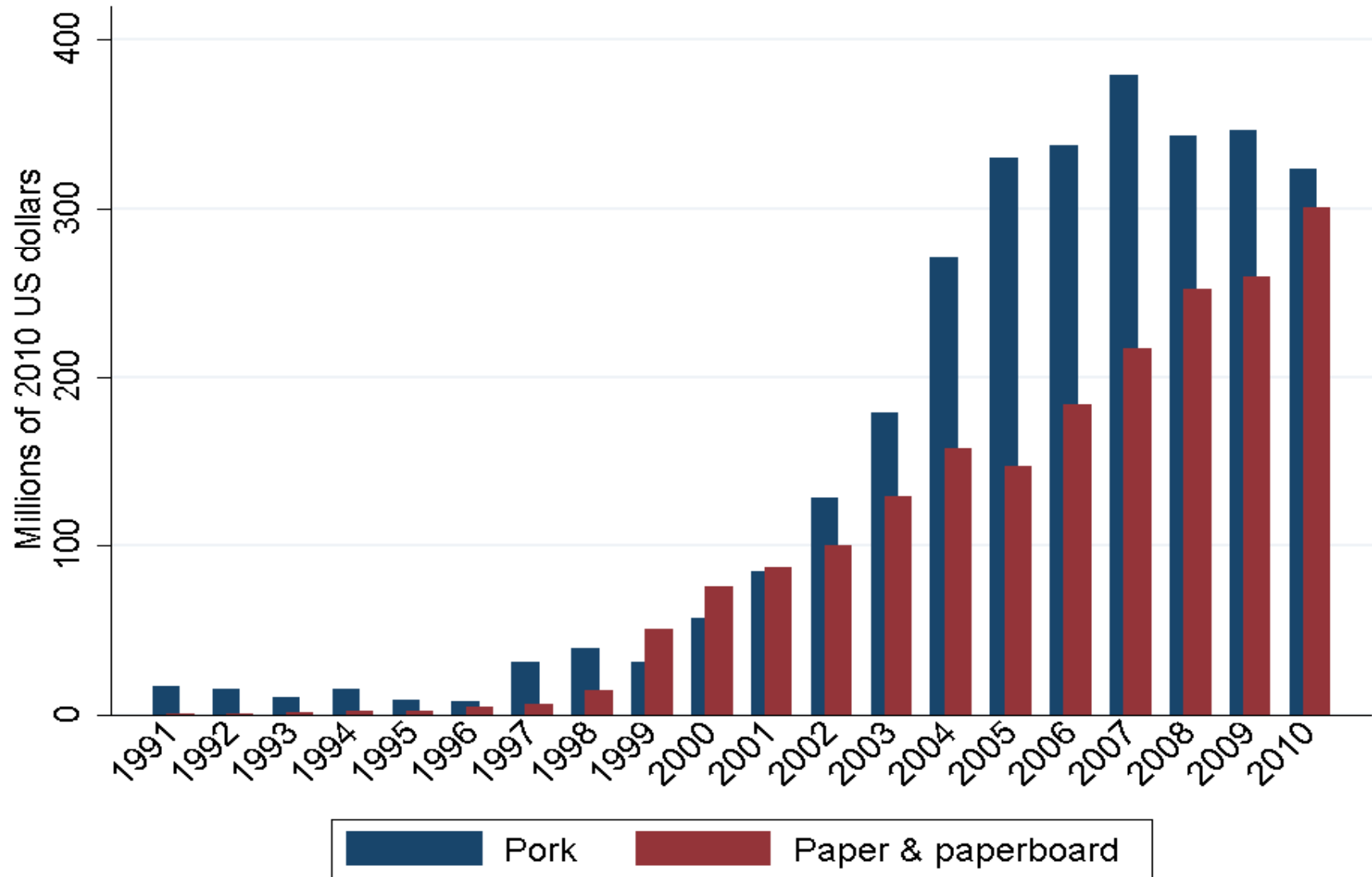
Growth with respect to previous decade



Firm/market growth decomposition with respect to previous decade

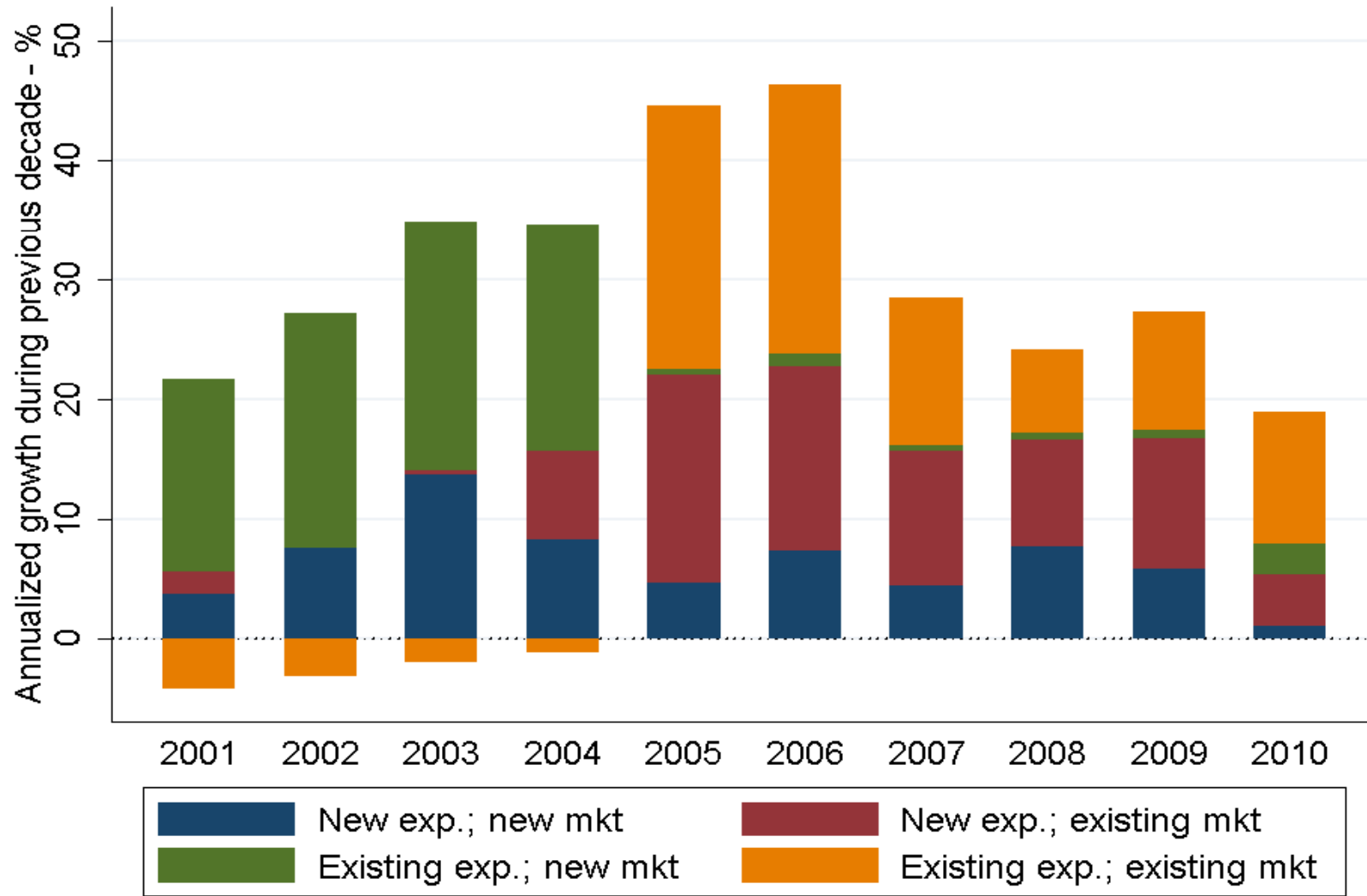


Two successful examples: Paper and Pork



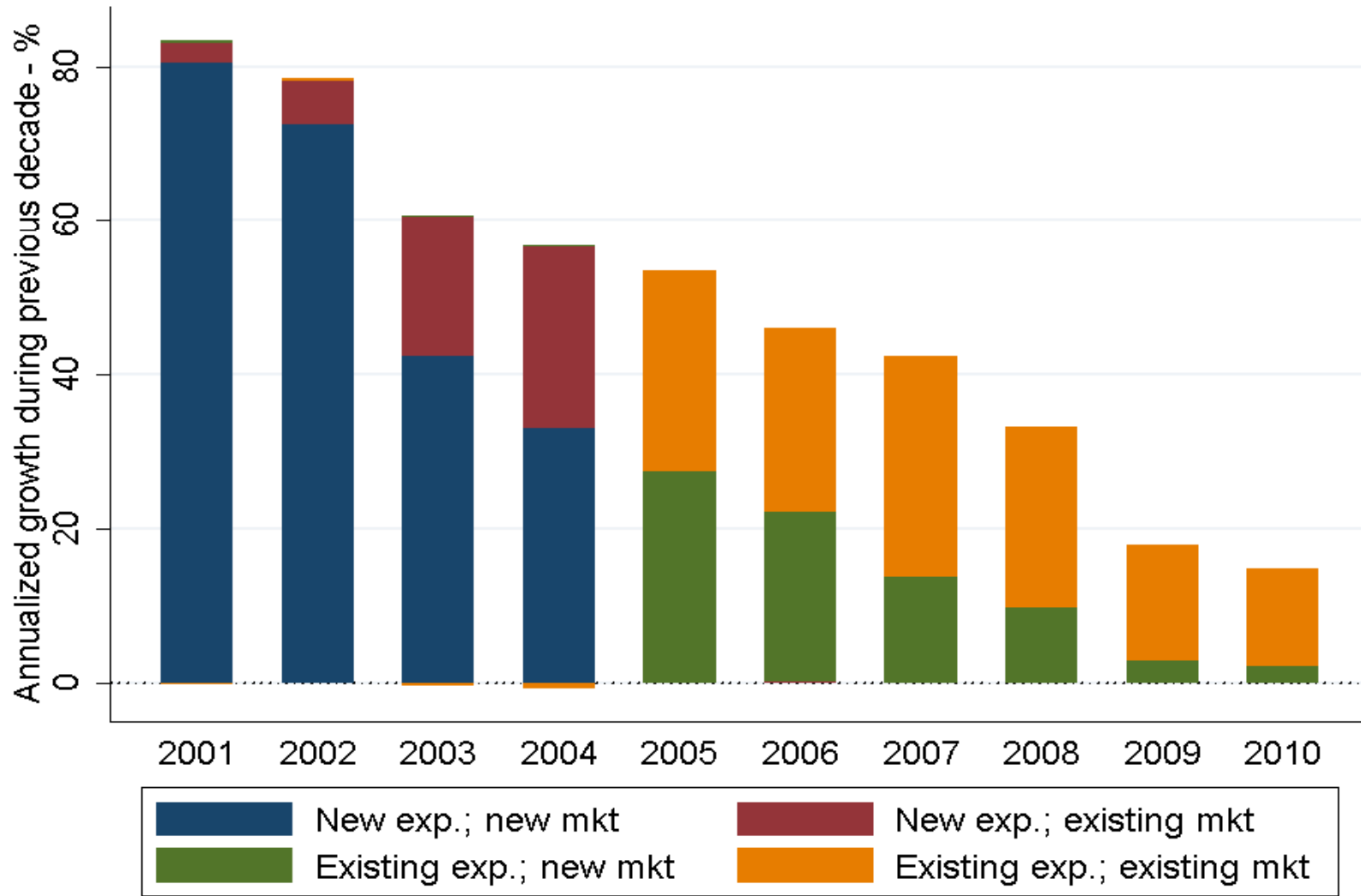
Case study: Pork

Growth with respect to previous decade



Case study: Paper

Growth with respect to previous decade



Some tentative conclusions

- Export growth is – to a large extent – explained by new firms.
- Diversification of products and destinations play a secondary role.
- Diversification across firms might be crucial to align export growth and risk diversification.
- It is critical to understand the firm's export decision:
 - Capacity constraints
 - Born to export versus entry
 - Intermediation